

CONFIDENTIALREGISTERED

Ref: 405B-OD-104

8 July 1964

Post Office Box 8043
 Southwest Station
 Washington, D.C. 20024

Subject: [REDACTED]

25X1A

Enclosures: Original and one (1) copy of [REDACTED]

25X1A

Gentlemen:

Enclosed are the signed copies of [REDACTED]
 acceptance of this contract is based on the following understanding:

25X1A

1. The contract delivery schedule is acceptable to [REDACTED] based on receipt of the Government Furnished Equipment on the following schedule:

25X1A

GFE to [REDACTED]

405-B to Gov't

Unit #1

16 November 1964

30 January 1965

Unit #2

31 December 1964

15 March 1965

Unit #3

15 February 1965

31 May 1965

2. The "Incentive Price Revision (Firm Target) (March 1964)" contract provision is understood as follows:

The maximum reimbursement of the portion of the contract covered by this provision is [REDACTED] which is the same as the Target Price. Therefore, this is a downward only revision provision. In accordance with telecon discussions between the writer [REDACTED] such an incentive provision is acceptable to [REDACTED] if the determination of the final negotiated cost is based on the overhead and G&A rates used to establish the Target Cost. Effectively, this contract is a firm fixed price non-redeterminable contract with a provision for elimination of excess profits by an 80-20 sharing of cost saving and a maximum 15% allowable profit margin regardless of total cost.

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3. There is no cost included in the contract price for repair of malfunctioned Government Furnished Equipment. In the event that the Government should require such effort on the part of [REDACTED], it will be the subject of a separate agreement.

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DECLASS REVIEW by NIMA/DOD

- 1 -

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Ident. No. 1062 25X1A

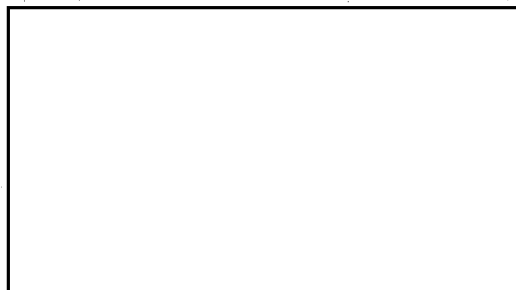
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4. "Price Redetermination (Type E) (November 1962)" contract provision forms were included in the contract package forwarded to [redacted] Since these provisions are not a part of the basic contract and are not filled out, it is assumed that they were inadvertently included and do not constitute part of the contractual agreement.

If there are any questions in relation to this contract acceptance as specified above, please contact the undersigned.

Very truly yours,



RJL/de

Encl: (2)

- 2 -

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